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**State of Louisiana**  
Division of Administration  
**Office of State Uniform Payroll**

June 23, 2010

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2010-50

TO: All ISIS HR Paid Agencies

FROM: Andrea P. Hubbard  
Director

SUBJECT: Employee Claims Processing

**PLEASE NOTE THAT THIS MEMO HAS NEW IMPORTANT INFORMATION REGARDING CLAIMS PROCESSING. THIS MEMO REPLACES OSUP MEMO #2003-53.**

**What are claims and how are they created?**

Claims are employee compensation overpayments that have not been recovered from an employee. Claims are created primarily by retroactive separations or retroactive time entries that cause the system to recalculate payroll payments for a previous pay period. When these recalculations occur and the system detects a wage or deduction difference, this difference is carried forward into the current pay period. If the current pay period gross is less than the calculated difference coming forward, a claim results. For detailed information about claims, review the following webpage:

[http://www.doa.louisiana.gov/ois/Human\\_Resources/Claims.pdf](http://www.doa.louisiana.gov/ois/Human_Resources/Claims.pdf)

Claims on active employees will be recouped from pay received in future pay periods. Claims on separated employees must be handled manually by collecting a check or money order from the employee.

**How does the Office of Information Services (OIS) remove claims from ISIS HR?**

At the end of each quarter, OIS removes claims on separated employees only. Removing a claim means that the claim is cleared from the employee's record in ISIS HR and the balance is recorded on a spreadsheet that is maintained by OIS. OIS updates (blocks) the employee's record to prevent the employee from processing through payroll. In the event the employee is rehired, OIS will update the employee's record with the current balance of the claim that is due prior to the employee processing through payroll. The balance will be recouped in the next payroll cycle unless the agency/employee requests a payment plan for the remaining balance. Rehired

employees are removed from the claims spreadsheet once the claim has been re-established in ISIS HR.

The claims spreadsheet is sent to OSUP each quarter for reporting to agencies the total amount of unbudgeted expenditures that occurred due to overpayments to separated employees. Agencies are required to research and resolve these balances.

OIS also clears claims on active employees at year end. This is done in order to report the employee's wages correctly on the W-2. After the W-2 process is complete, OIS re-establishes the claim on the employee's record in ISIS HR.

**Note: When OIS/OSUP refer to "clearing a claim" they are referring to the claims process in ISIS HR, not the actual repayment of the overpayment.**

### **How do I research claim balances?**

Agencies should run the Payroll Reconciliation Report (ZP145) biweekly to review claim activity for active employees. Agencies should also run ZP145 and the Remuneration Statement (ZP106) to review claim information on separated employees using the following parameters:

- For ZP145: Select the variant "SOL\_CLAIMS", and then enter your personnel area and the employee's personnel number. Review the "current period" column. If there is a pay period, the claim was created during regular payroll. If there is a date with a BO next to it, the claim was created during an off-cycle.
- For ZP106: For a claim that was created during regular payroll, select the variant "/SOL\_ZP2P", and then select "Other Period" and enter the pay period date from ZP145 report. Finally, enter the employee's personnel number, the personnel area, and execute. For a claim that was created during an off-cycle, select the variant "/SOL\_ZP2P", and then enter the employee's personnel number and the personnel area. Finally, enter B, O, and the off-cycle date obtained from the ZP145 report in the Special Run fields.

Research master data/time data that was entered for that pay period. If it is determined that the original entries were incorrect, correct the data and simulate a current period correction payment (ZY08) to determine if the correction resolves the claim. Do not store this simulation as it will be picked up in the next payroll run. If the claim is not resolved, then additional research should be done to identify the cause of any remaining balance. If it is determined that there is an overpayment, refer to the information below for recouping the overpayment.

### **What should agencies do to resolve claim issues?**

All claims must be researched and you must contact the employee to attempt to recoup any overpayments pursuant to the [Rule on Recoupment of Overpayments](#) (see page 20 of Title 4). Agencies should follow their internal procedures for collecting employee overpayments.

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For separated employees, the ISIS HR Help Desk must be contacted to obtain the net amount to collect. The amount provided should be collected by the end of the current calendar year. If this does not happen, a corrected amount must be requested from the Help Desk prior to collecting payments in any subsequent year due to possible tax adjustments. Contact the ISIS HR Help Desk immediately upon receipt of a check or money order from a separated employee. The payment will be recorded on the OIS claims spreadsheet to reflect the true balance of the claim.

For active employees, the system will attempt to collect the claim on the next payroll cycle. If an agency wants to prevent the entire claim balance from being withheld from the employee at once, they can request a payment plan be set up. If you are requesting a payment plan beyond 26 pay periods, that request must be approved by OSUP. If the employee wishes to pay the amount owed by check, the agency must get prior approval from OSUP and then contact the ISIS HR Help Desk for the amount to collect. The amount provided should be collected by the end of the current calendar year. If this does not happen, a corrected amount must be requested from the Help Desk prior to collecting payments in any subsequent year due to possible tax adjustments.

Agencies need to ensure that separation actions are handled timely in order to reduce the need for retroactive separation processing. Internal controls and procedures should be in place to ensure managers/supervisors and time administrators in field offices provide timely and accurate communication to HR staff regarding an employee who is deceased, transferring to another agency, retiring, terminating employment, or had time entry entered incorrectly.

#### **What resources are available to agencies?**

OIS has many tools available for HR and time administration staff to utilize such as ISIS HR reports, ISIS HR on-line help, the [ISIS HR Help Desk](#), and ISIS HR training classes. Agencies should use these tools to assure accurate and timely master data and time file entries. If additional training or assistance is needed, contact the ISIS HR Help Desk. A list of recommended reports can be found on the "[Agency's Critical Reports Calendar](#)" located on the OIS website, and a remuneration statement variant that can help in researching claims can be found in [ISIS Memo #06-027](#).

If there are any questions, contact a member of the OSUP Benefits and Financial Administration Unit at [\\_DOA-OSUP-BFA@LA.GOV](mailto:_DOA-OSUP-BFA@LA.GOV) or (225):

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cc: Yvonne Rheams, Legislative Auditor